

In the matter of  
Centramet Trading S.A.

versus

Egyptian American Steel Rolling Co.

SDNY – 07cv6379 (RMB)

**DECLARATION OF NADER ISSA**

**Mr. Nader Issa** pursuant to Title 28 Section 1746 of the United States Code, hereby declares and says the following under penalty of perjury :

1. I, Nader Issa, the Managing Director of Alpha Egypt, a company constructed under the laws of Egypt, acted as an agent on behalf of GST Commodities Trading Co. (GST), for the transaction executed under letter of credit number HEL 610/06 issued on 25 June 2006, by order of Egyptian American Steel Rolling Co. from the Arab African International Bank (AAIB) in Egypt in favor of GST, for a quantity of 20,000 MT of steel scrap on CIF FO terms to Alexandria seaport, at unit price \$303. This cargo was to be used as the raw material for EASROC's steel melt shop in Sadat City, Egypt.
2. Correspondence from both parties went through my office, and I acted as an interface between them.
3. Following GST's nomination of the vessel MERVE A offered with demurrage rate of \$5,000 PDPR by e-mail of 13 July 2006, it was refused by EASROC on the same day (Attachment (1)); who accepted the vessel on provision that the demurrage rate is \$1,500 per day, and rate of discharge 1,000 MT Per weather working day, Fridays Saturdays Holidays excluded even if used (PWWD FSHEX EIU). I was shown by EASROC an e-mail dated 12 July 2006(Attachment (2)), submitted by the firm Watson Farley & Williams in London, on 14 August 2007 on behalf of Centramet, copy of which I attach hereto. The said e-mail is alleged to be addressed to my e-mail address however it does not exist in my files. It alleges that the vessel Merve was nominated as having a demurrage daily rate of \$7,500, which never happened. The hand writing at the bottom of the said e-mail appears to have been copied, with changes made in the US dollar amount (which is changed from \$1,500 to \$7,000) as well as the date changed from 19 to 12 July 2006, from the communication dated 19 July 2006 (Attachment (3)), which I also attach to this declaration.
4. I was informed by EASROC after the arrival of the vessel in Alexandria seaport, and commencement of discharging the cargo that the goods were not compliant with the quality agreed in the sales contract. I contacted GST on 8 August 2006 and informed them that they should come to inspect the cargo to resolve the dispute. GST representative Mr. Petr came to Egypt the following day, and we went on board the said vessel at Alexandria sea port to inspect the cargo, and we also went to the EASROC plant in Sadat City and witnessed the trucks discharging the cargo. We both saw that the cargo contained a large quantity of huge pieces of rock, slag, bales, and concrete lumps in excess of a few tons each. Mr. Petr admitted that there was a serious defect in the cargo, and

discussed the matter with Mr. Kamal Beshay and arrived at an understanding that a final settlement would be agreed.

5. After Mr. Petr returned to his country, he consulted with his colleagues, and reverted with a proposal to reduce the unit price of the supplied cargo by \$15, and to cancel the rest of Letter of Credit as final settlement and solution. For clarification, I requested from GST on 21 August, 2006, to confirm that GST would provide a further 9.4 days free, to complete the discharge starting from the date of the arrival of the original documents in Egypt. Mr. Petr then confirmed to me by e-mail of 22 August, 2006, that he had already confirmed that all time lost at Alexandria will be on the account of GST. This e-mail was also copied to Centramet's Mr. Denis. This final settlement proposal was accepted by EASROC, and was executed via the letter of credit by bank swift exchanges between the L/C issuing bank in Egypt, and the negotiating bank in Holland. I have not received in writing or verbally, to date, any lay time calculation or claim for demurrage from GST or Centramet in relation to this transaction.
6. The sales contract terms between GST and EASROC provided for the discharge of the goods without presentation of original bills of lading. This was a requirement under the agreed terms of letter of credit. GST by letter dated 2 August 2006 to Active Marine (ship agent) permitted EASROC to release the goods against presentation of a Marine Bank guarantee issued by AAIB in lieu of original bills of lading. The Marine Bank Guarantee was issued by order of EASROC from the L/C issuing bank in Egypt (AAIB) on 3 August 2006, and was handed to the agent of the vessel in Alexandria. I am aware that between about 8-9 August 2006, a quantity of about 715 MT of cargo were discharged from the vessel. Thereafter the master of the vessel refused to allow further discharge. I am aware that the original documents including the bills of lading did not arrive at the issuing bank (AAIB) in Egypt till 30 August 2006, which were given to the Captain of MV MERVE who then allowed discharge to resume.
7. I am also aware that GST and Centramet are operated and owned by the same persons. Communications sent to my office by Mr. Petr Terebov were at times signed off by him as the Director of GST and others as the Director of Centramet.
8. EASROC thereafter have often complained to me that the cargo was very bad and caused them a lot of losses in their plant.

I declare under penalty of perjury of the laws of the United States of America that the foregoing is true and correct

Place, Cairo /Date: 14 August 2007

Attachments:

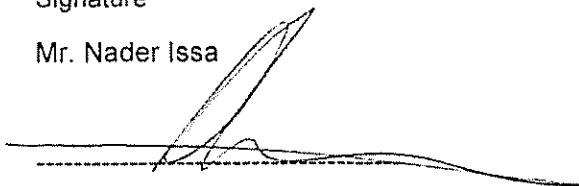
Attachment (1): E-mail dated 13 July 2006 from Denis Kitaev of Centramet to Alpha Egypt, and EASROC response thereto of the same date. (Exists in my files)

Attachment (2): E-mail dated 12 July 2006 alleged to be sent from Petr Terebov of GST and Centramet to Alpha Egypt., submitted by Centramet via Watson Farley & Williams London offices, on 14 August 2007. (Does not exist in my files)

Attachment (3): E-mail dated 19 July 2006 from Petr Terebov of GST and  
Centramet to Alpha Egypt. (Exists in my files)

Signature

Mr. Nader Issa

A handwritten signature in black ink, appearing to be 'Nader Issa', is written over a solid horizontal line. A dashed horizontal line is visible just below the solid line.

Subject: Fw: M/v Merve A corrected d. rate  
From: "Denis Kitaev" <kitaev@bluewin.ch>  
Date: Thu, 13 Jul 2006 14:38:45 +0200  
To: <alphaegypt@link.net>

Dear Mr. Nader Issa!

Unfortunately we lost vessel Ocean Beauty. But we have possibility  
to fix b/m vessel as a sub of Ocean Beauty.  
Kindly ask you to confirm this vessel:

M/V MERVE A (EX M/S CORNER BROOK)

TURKISH FLAG, BLT 76. (RBLT 2006),  
LOA/LBP/B/D/S, SPD 135.6/127.7/18.5/9.82/15 KNT,  
GRT/NRT 7587/2456, DWT 13.500, DWCC 13.200, HO/HA 3/3.  
GRAIN FITTED, CO2 FITTED, STEEL FLRD.  
GLESS, IMO 7420194, CLASS TURKISH LOYD,  
CALL. SING. TCOL9, HATCHOVERS PONTOON TYPE,  
GR/BL 19098/ 18086 CBM. UNIT WEIGHT 10 TN

HOLD DIMENSIONS

HOLD: 3 = 32,2 X 10,5 X 17,5/ 7423 CBM  
HOLA: 2 = 26,6 X 10,5 X 17,5/ 6313 CBM  
HOLD: 1 = 25,2 X 10,5 X 17,5/ 5362 CBM

HATCH: 3 = 27,2 X 13,5 X 3  
HATCH: 2 = 25,1 X 13,5 X 3  
HATCH: 1 = 20,2 X 13,5 X 3

- LP 1 GSPB NOVOROSIYSK
- DP 1 GSPB ALEXANDRIA OR ISKENDERUN OR MARMARA OR NEMRUT
- LAYCAN 16-20 JULY 2006 (BEST ETA 17.07)
- DISCH RATE 1000 MTS PWWDS
- MIN QTTY - 10000 MTS
- DEM 5000 USD PDPR/FREE DESPATCH

Regards,

Denis Kitaev  
Centramet Trading S.A.

tel. +41 22 791 76 78  
fax. +41 22 791 76 70  
mob. +41 78 830 08 84

Dear Sirs,  
We can accept the above VESSEL on the  
following provisions:

- Discharging rate: 750 MT per wwd FS#EXEIN
- Demurrage: \$ 1500
- Agents at disch. port:  
Matina Shipping Agency  
T. 00203-4834353  
F. 00203-4806048  
CAPT. SAMIR

Kindly confirm  
Best regards / BESHAY STEEL  
13.07.06

Received: 07/14/07 5:03 PM, 33144515971 - 2 SS, Page 6

14-06-2007 16:24 FROM: PENLAW

+33 1 44 51 59 71

T-351 P.006/006 F-379

2

SENT BY: M;  
TO: JAMES JAMES JAMES JAMES JAMES

2010070801  
0000000000

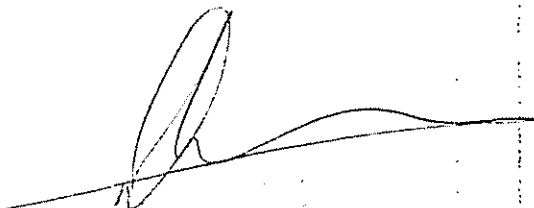
TO: 12556201590

P.006

>>> From: "Petr Tereshov" <tereshov@bluewin.ch>  
>>> To: "alphaegypt" <alphaegypt@link.net>  
>>> Date: Wed, 12 Jul 2006 15:10:02 +0200  
>>> Subject: FW: MERVE A 16-20 JULY 2006  
>>>  
>>> Dear Nader,  
>>>  
>>> This is first nomination.  
>>>  
>>> Please ask Beshay to confirm  
>>>  
>>> M/V MERVE A (EX M/S CORNER BROOK)  
>>>  
>>> TURKISH FLAG, BLT 76, (RBLT 2006).  
>>> LOA/LBP/B/D/S.SPD 135,6/127,7/18,5/9,82/15 KNT.  
>>> GRT/NRT 7587/2456, DWT 13.500, DWCC 13.200, RO/HA 3/3.  
>>> GRAIN FITTED, CO2 FITTED, STEEL FLAD.  
>>> GLESS, IMO 7420194, CLASS TURKISH LOYD.  
>>> CALL SING: TCOL9, HATCHOVERS PONTOON TYPE.  
>>> GR/BL 19098/ 16086 CBM. UNIT WEIGHT 10 TN  
>>>  
>>> HOLD DIMENSIONS  
>>> -----  
>>> HOLD: 3 - 32,2 X 10,5 X 17,5/ 7423 CBM  
>>> HOLD: 2 - 26,6 X 10,5 X 17,5/ 6313 CBM  
>>> HOLD: 1 - 25,2 X 10,5 X 17,5/ 5362 CBM  
>>> -----  
>>> HATCH: 3 - 27,2 X 13,5 X 3  
>>> HATCH: 2 - 25,1 X 13,5 X 3  
>>> HATCH: 1 - 20,2 X 13,5 X 3  
>>> -----  
>>> - LP 1 GSPB NOVOROSSIIYSK  
>>> - DP 1 GSPB ALEXANDRIA  
>>> - LAYCAN 16-20 JULY 2006 (BEST ETA 16.07)  
>>> - DISCH RATE 1000 MTS PWWD5  
>>> - MIN QTTY - 10000 MTS  
>>> - DEM 7500 USD PDPR /FREE DESPATCH

Dear Sirs,  
We can accept the above  
vessel on the provision that  
demurrage rate is  
max 7000 \$.  
Agents at disch. port:  
"Matma Shipping Agency"

Best Regards,  
Beshay Stool  
11.07.06



Sent By: BS;

2026201592;

Jul-19-06 2:45PM;

Page 1/1

FROM: ALEKSANDR ANTONOV 25/30 JULY

202 2575881

TO: +2026201593

P.001

FW: ALEKSANDR ANTONOV 25/30 JULY

Subject: FW: ALEKSANDR ANTONOV 25/30 JULY

From: "Petr Terebov" &lt;pterebov@bluewin.ch&gt;

Date: Wed, 19 Jul 2006 10:09:56 +0200

To: "alphaegypt" &lt;alphaegypt@link.net&gt;

CC: "Denis Kitayev (E-mail)" &lt;kitayev@bluewin.ch&gt;

نبايه السيد الاستاذ / جميل شاك  
11/19

Nader,

This is the second nomination.

Please ask Beshay to confirm.

M/V ALEKSANDR ANTONOV, VOLZHSKIY TYPE, RUSSIAN FLAG, BLT 1986,  
DWT ABOUT 6088 MTS, GRAIN/BALE: 352,000 CBFT, STEELFLOORED,  
LOA/BEAM/DEPTH/DRAFT: 139/16.70/5.50/4.10 M SSW, SINGLEDECK,  
4HO/4HA, HATCHCOVERS PIGGY-BACK TYPE, BOXSHAPE,  
RUSSIAN MARITIME REGISTER 'CLASSED

| HO DIMS | NR    | LENGTH | WIDTH | HEIGHT |            |
|---------|-------|--------|-------|--------|------------|
|         | NR 1: | 19.8 X | 13.00 | X 8.19 | - 1917 CBM |
|         | NR 2: | 20.8 X | 13.00 | X 8.19 | - 3035 CBM |
|         | NR 3: | 28.2 X | 13.00 | X 8.19 | - 2971 CBM |
|         | NR 4: | 19.2 X | 13.00 | X 8.19 | - 2048 CBM |

(ALL DETAILS ARE ABT)

+ + + + +

LAYCAN : 25/30 JULY BSS VSL ARRIVAL TO ADK  
LOAD PORT : ROSTOV OR KALACH ON DON OR VOLGOGRAD OR KAMISHYIN OR  
SARATOV OR BALAKOVA OR TOGLIATTI OR SYZRAN  
ETA LOADPORT : 25TH JULY 2006  
IMO NUMBER : 8972261

MIN OTTY : 5700 MTS  
DENDURRAGE : USD 4500

Dear Sirs,

We can accept the above  
vessel on the provision that  
demurrage rate is  
max 1,000 \$.

Agents at disch. port:  
"Matma Shipping Agency"

Kindly reconfirm.

Best Regards,

Beshay Sireal

19.07.06